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DRAFT CONVENTION ON ASSIGNMENT [IN RECEIVABLES FINANCING] [OF RECEIVABLES IN INTERNATIONAL TRADE]

Compilation of comments by Governments

Addendum

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* These comments were received during the thirty-third session of the Commission. They are reproduced here for the record

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BELARUS

[Original: Russian]

1. **Title/preamble**

We would prefer the version of the title that reads "Convention on Assignment of Receivables in International Trade", because this does not limit the scope of application of the convention to assignment purely in receivables financing. This title also reflects the substantive content of the convention.

In the preamble, attention should be given to one of the most important aims of the convention, namely that of facilitating the securing of credit through receivables financing. We would therefore propose that the reference in the preamble to receivables financing be retained, together with the examples of receivables financing practices given in the fourth preambular paragraph.

Except in the preamble, the term "receivables financing" does not appear in the text of the convention. We would therefore consider it justified to delete the corresponding definition which currently appears as subparagraph (c) in article 6.

2. **Subsequent assignments (article 1 (1) (b))**

The proposed wording enables subsequent assignments of receivables to be included within the scope of application of the convention according to the single criterion of whether any prior assignment of receivables is governed by the convention, i.e. irrespective of whether the subsequent assignments fulfil the requirements of article 1 (1) (a) that at the time of the conclusion of the contract of assignment the assignor must be located in a Contracting State. Since we regard these requirements as crucial to the inclusion of assignments (both prior and subsequent) within the scope of application of the convention, we consider it necessary in article 1 (1) (b) to add the following qualification: that the assignor must be located in one of the Contracting States.

3. **Scope of application of chapter V (article 1 (3))**

We find the wording of article 1 (3) to be acceptable.

4. **Exclusions or special provisions governing specific types of practice (article 4 (2))**

The wording of this paragraph is acceptable provided that article 39 is drafted in such a way as to designate the types of practice to which the convention will apply in all cases or, at least, to list the types of practice in respect of which the State will be entitled to declare exclusions. Otherwise, the scope of application of the convention may, in practice, be unforeseeably narrowed beyond the exclusions indicated in article 4.

5. **Limitations on receivables other than trade receivables (article 5)**

We have a preference for variant A of this article, which presents the advantage of providing greater protection for the rights of the debtor in cases where the debtor requires such protection.

6. **Definitions and rules of interpretation (article 6)**

We have no comments or proposals to make regarding the wording of this article, including the wording of subparagraph (l), but we would support the proposal for including in article 6 the additional definitions set out in paragraph 99 of the Report of the Working Group (A/CN.9/466).

7. **Conflict of laws (articles 28-30)**

We have no comments or proposals to make regarding the proposed drafting of these articles.

8. **Conflicts with other international agreements (article 36)**

The wording in square brackets should be deleted.

9. **Other exclusions (article 39)**

We have no objections in principle to including in the text of this article the wording currently contained in square brackets.

10. **Application of the annex (article 40)**

The second formulation in square brackets would be preferable. It offers States a greater degree of flexibility and provides them with a better explanation of the choices available with regard to the effects of any such choice made by way of a declaration.

With regard to the text of the annex to the convention, we hold the following views:

(1) The text proposed for article 2 should be retained together with the reference to article 25;

(2) We would propose that it be discussed whether the words "assignor and assignee" in article 2 (1) should be replaced by the words "assignor and subsequent assignees";

(3) In article 4 (4), the words "that would result" should be replaced by the words "that has resulted" for the sake of giving a more precise definition of the time from which registration is to be considered ineffective [*remainder of Russian amendment inapplicable to English version*];

(4) The proposed wording of article 7 should be retained together with the reference to article 25.

11. **Effect of declaration (article 41)**

We agree with the wording proposed in square brackets.

The provisions set out in paragraph 5 of this article provide guarantees, additional to those as specified in paragraphs 1-4 of the article, for a State other than that making the declaration.

12. **Entry into force and denunciations (articles 43 and 44)**

We consider that the square brackets in paragraphs 3 of articles 43 and 44 could be removed.